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# The Integrated Reporting Framework (IReF) and the Banks' Integrated Reporting Dictionary (BIRD) – new developments

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### **Overview**

- 1 ESCB strategy on data integration
- 2 Dialogue with the banking industry
- 3 Integrated Reporting Framework (IReF): latest developments
- 4 Banks' Integrated Reporting Dictionary (BIRD): latest developments

# **ESCB strategy on data integration (1/2)**

- ESCB statistics to keep *supporting policy making* while *minimising the reporting burden for banks* via:
  - Engaging in a regular dialogue with the banking industry
  - Standardising and integrating existing frameworks for banks' reporting across domains and across countries

#### **IReF**

Integrated Reporting
Framework

Collect the data only once, via integrated reporting scheme

Focus on ESCB statistical requirements

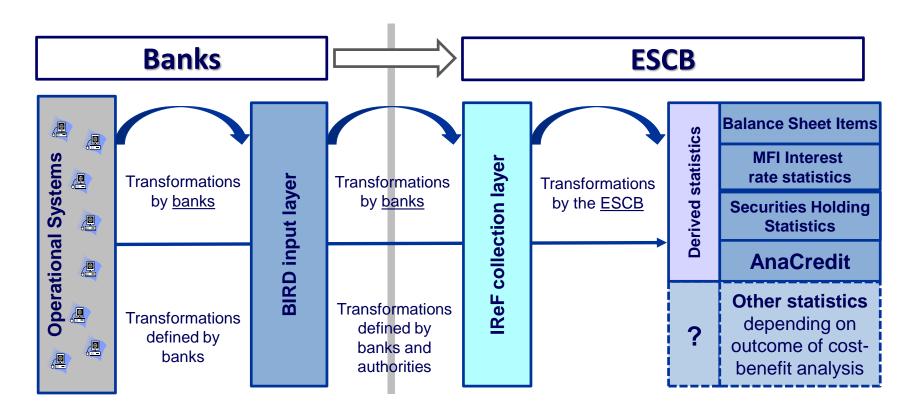


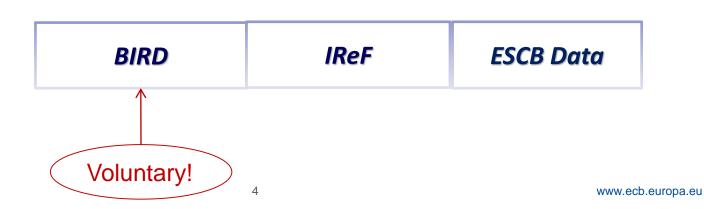
#### **BIRD**

Banks' Integrated
Reporting Dictionary

Support reporting agents to optimally organise the information available in their internal systems

# **ESCB strategy on data integration (2/2)**





# **Dialogue with the banking industry**

# Increased cooperation with the banking industry

- The ESCB Statistics Committee (STC) has set up a regular
   Dialogue with the banking industry
- Aim: discuss new and ongoing developments in ESCB statistics
- 16 March 2018: 1st meeting of the Dialogue between members of the STC and representatives of the banking industry

Integrated Reporting Framework (IReF) and the Banks'
 Integrated Reporting Dictionary (BIRD) featured prominently

## **IReF: latest developments** (1/3)

# **Action points from the Dialogue**

- The ESCB has started exchanging views with the banking industry on when and how to develop the IReF and for which datasets
  - → The cost-benefit analysis will serve as important information
- The ESCB, together with the banking industry, will
  - Develop guiding principles on integrated reporting, and
  - Liaise with other European institutions on the way forward for the IReF
  - → To which non-ESCB datasets could the IReF be extended?
  - → Which approach on national requirements not arising from ECB regulations?
- A first follow-up meeting between the EBF and the ECB has taken place

# **IReF: latest developments** (2/3)



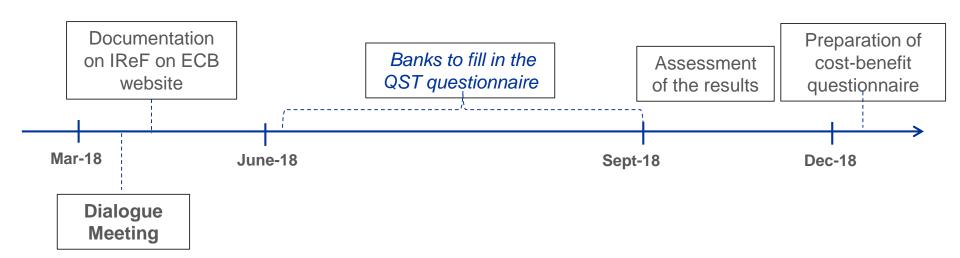
# Aim of the cost-benefit analysis

Assess jointly with the banking industry
the IReF impact prior to any decision on implementation

- Two main steps are envisaged
- Cost-benefit analysis is expected to run over 2018 and 2019
  - The Qualitative Stock-taking questionnaire is being run over summer and will be analysed in autumn 2018
  - The Cost-benefit questionnaire will be defined, run and analysed over (most of) 2019
- A discussion on whether to embark into the IReF at all, and if so, based on which scenario is expected to take place in autumn 2019

## **IReF: latest developments** (3/3)

- Aim of the qualitative stock-taking (QST):
  - Assess the appetite of the banking industry for different possible scenarios
- NCBs will invite banks to participate:
  - > Approach depends on structures and practices in the national banking sector



# **BIRD: latest developments** (1/3)



#### **GOVERNANCE**



- Decision process on priorities, multi-annual work programme, resources
- Composed of BIRD members' institutions



## **BIRD Expert Group**

- Agrees on semantics and data models
- Analyse requirements addressed to banks
- Develops & reviews BIRD documentation
- Working plans on various activities
- May advise on draft new or amending banks' reporting

# **BIRD: latest developments** (2/3)

# Proposed work plan (over 2 rolling years)

	BIRD work plan proposal		2018									2019										2020								
<u>BIRD work plan proposal</u>		01	02 0	3 04	1 05	06	O7 O	3 09	10	11	12 0:	1 02	03	04 (	05 06	07	08	09 1	10 1	11 12	2 01	02 0	3 04	05 (	07	08	09 1	10 1:	1 12	
WS	Workstream on data modelling																													
	Workstream on testing the BIRD documentation																													
	FinRep (Annex III, IV "FINREP", tempaltes F01-F46)																													
	CoRep Credit risk (Annex I "Solvency", templates C7-C16) Standard approach - excluding securitisation																												1 1 12	
	CoRep Credit risk (Annex I "Solvency", templates C7-C16) IRB (foundation and advanced) excluding securitisation																													
	CoRep Credit risk maintenance																													
Development/Maintenace	CoRep Market risk (Annex I "Solvency", tempaltes C18-C25) excluding securitisation - excluding securitisation								П																					
	CoRep Market risk maintenance																													
	CoRep capital adequacy (Annex I "Solvency", templates C1-C4)	to be	e redi:	scusse	ed in 1	he ne	xt SG	meet	ing																					
	CoRep capital adequacy Maintenance																												Т	
	Resolution planning (Annex ? "Resolution Planning", templates R1-R10)																													
	Resolution planning maintenance																												П	
	Liquidity coverage ratio (Annex XXIV "LCR", templates C72-C76)																													
	Liquidity coverage ratio maintenance																													
	Additional monitoring metrics for liquidity (Annex XVIII "AMM templates", templates C67-C70)																											Т		
	Additional monitoring metrics for liquidity maintenance																													
	Asset encumbrance (Annex XVI "Asset Encumbrance", templates F32-F36)																													
	Asset encumbrance maintenance																													
	Leverage (Annex X "Leverage", templates C40-C47)																												Т	
	Leverage maintenance																													
	BSI/MIR																												Т	
	BSI/MIR maintenance																													
Maintenance of existing frameworks	SHSG maintenance																													
	AnaCredit maintenance																													
	FinRep maintenance																													

# **BIRD: latest developments** (3/3)

- Following the successful pilot (in 2015-2016) the BIRD moved in 2017 to its steady-state
- The BIRD Steering Group Charter and the BIRD Work plan discussed with the industry and regularly published - first in June 2018
- The new release of the BIRD in June 2018 will add FINREP
  - to AnaCredit and Securities Holdings —
- The ECB will host in Sept. 2018 a workshop on testing the transformation rules in BIRD → volunteers in the industry needed
- More information: <u>BIRD website</u>